



O R R I C K

Official Committee of Equity Security Holders of USA Capital Diversified
Trust Deed Fund, LLC - 17908
page 40

October 15, 2006
Invoice No. 1033079

09/27/06	M. Levinson	Review and interlineate comments to the draft response to the USACM unsecured creditors committee reallocation objection (.30); review and revise the email memorandum to A. Landis responding to his objections to Orrick's June and July fee submissions (.10); telephone conversation with E. Karasik re tomorrow's fee hearings (.10); review J. Hermann comments to the draft response to the USACM unsecured creditors committee reallocation objection and interlineate additional comments to that draft (.30); telephone conversation with A. Loraditch in preparation for tomorrow's hearing generally and the USACM unsecured creditors committee reallocation objection in particular (.20); telephone conversation with M. Tucker and J. Hermann re USACM unsecured creditors committee reallocation objection and the A. Jarvis email memorandum re possible settlement of the same (.20); review pleadings and otherwise prepare for tomorrow's hearing on the fee applications (.60); portion of long telephone conversation with A. Jarvis devoted to discussion of issues that relate tomorrow's fee application and objection hearing (.20); further preparation for tomorrow's hearing (20).	2.20	1,232.00
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ORRICK

Official Committee of Equity Security Holders of USA Capital Diversified
Trust Deed Fund, LLC - 17908
page 41

October 15, 2006
Invoice No. 1033079

09/27/06	L. Ernce	<p>Continue drafting and revising Diversified Committee's response to USACM unsecured creditors committee's attempts to shift fees from USA Commercial estate to Diversified estate by way of objection to fee applications of debtors' professionals (.80); review M. Levinson comments and revise same (.20); telephone conference with A. Loraditch and R. Olson re status and strategy of draft response (.20); email to Diversified professionals re next version of objection and telephone conference with J. Hermann re strategy issues (.20); further revise draft response per discussion with J. Hermann (.30); conference with M. Levinson re same (.10); revise draft and email to J. Hermann and M. Levinson (.20); review J. Hermann's redlined comments and changes and conference with M. Levinson re same (.20); revise and finalize response to USACM unsecured creditors committee's pleading (.20); emails to A. Loraditch re same and review A. Loraditch comments (.10); exchange emails with Nevada counsel's office re status of filing of response and review final (.10); attention to organizing materials for tomorrow's hearing on fee applications and objections (.30).</p>	2.90	1,348.50
09/27/06	L. Ernce	<p>Draft and revise email to A. Landis responding to U.S. Trustee's objections to Orrick's fees (.20); email to M. Levinson and J. Hermann re status (.10); review revisions to draft email from M. Levinson and J. Hermann (.10); revise and finalize email to A. Landis and attachments showing modifications to time entries (.20); review objection to fee applications filed by counsel for J. Milanowski and exchange emails with J. Hermann re same (.20); telephone conference with A. Loraditch re same and review M. Tucker email re same (.10); email to J. Hermann re U.S. Trustee fee guidelines (.10); exchange emails with J. Hermann re August fee statement and possible modifications (.10).</p>	1.10	511.50



O R R I C K

Official Committee of Equity Security Holders of USA Capital Diversified
Trust Deed Fund, LLC - 17908
page 42

October 15, 2006
Invoice No. 1033079

09/27/06	J. Hermann	Revision of response to objection of U.S. Trustee.	0.20	114.00
09/27/06	J. Hermann	Review and revise Diversified Fund committee response to USACM unsecured creditors committee objection to fee application of unsecured creditors committee professionals by which USACM unsecured creditors committee seeks to have almost \$1.3mm of unsecured creditors committee fees paid by Diversified Fund.	0.60	342.00
09/28/06	M. Levinson	Conference with S. Freeman re the USACM unsecured creditors committee's objection to the allocation of fees by the debtors' professionals (.20); pre-hearing conferences in the courthouse re the same with S. Freeman, A. Jarvis, G. Gordon, T. Burr and others (.30); conferences re the allocation issue with numerous estate professionals including F. Merola, S. Freeman and A. Jarvis prior to resumption of the afternoon hearing (.20).	0.70	392.00
09/28/06	L. Ernce	Telephone conference with M. Levinson in advance of today's hearing on Orrick's fee application and US Trustee's objections thereto regarding certain expense detail (.10); telephone conference with billing coordinator re question about expense detail and email to M. Levinson re same (.10).	0.20	93.00
09/29/06	M. Levinson	Telephone conversation with E. Karasik yesterday's hearing on the fee objections and re fashioning the order apportioning the fees for the debtors' professionals among USACM and the funds.	0.20	112.00
<i>B170 – Fee/Employment Objections Total</i>			28.70	14,651.00

Timekeeper Summary	Hours	Rate	Amount
Lynn T. Ernce	15.60	465.00	7,254.00
Jeffery D. Hermann	6.10	570.00	3,477.00
Marc A. Levinson	7.00	560.00	3,920.00
Total All Timekeepers	28.70	\$510.49	\$14,651.00



O R R I C K

Official Committee of Equity Security Holders of USA Capital Diversified
Trust Deed Fund, LLC - 17908
page 43

October 15, 2006
Invoice No. 1033079

Task B310 – Claims Administration and Objections

09/01/06	M. Levinson	Review a series of C. Carlyon and L. Schwartzter email memoranda re the bar date, the filing of proofs of claim and related matters (.10); review the draft bar date order circulated by L. Schwartzter, the proposed revised version circulated by C. Carlyon and email memoranda re the same from L. Schwartzter, C. Carlyon and A. Loraditch (.20).	0.30	168.00
09/02/06	M. Levinson	Email memorandum to estate professionals re my comments on the draft bar order and re related matters (.10); exchange follow-up email memoranda with S. Strong re the same and re the form of proofs of claim and interest (.10).	0.20	112.00
09/05/06	M. Levinson	Review the chain of email memoranda from L. Dorsey, A. Loraditch, C. Carlyon and S. Freeman re the form of order setting the bar date.	0.20	112.00
09/05/06	L. Ernce	Review and comment upon draft order setting deadline to file proofs of claim and proofs of interest; review A. Loraditch email signing off on same (.20); review emailed comments from S. Freeman and C. Carlyon and L. Schwartzter (.20); review revised version (.10); review C. Carlyon email re draft instructions for filing proofs of claim and interest (.20).	0.70	325.50
09/11/06	M. Levinson	Review L. Ernce email memoranda re draft proofs of claim and proofs of interest and conference with L. Ernce re the same.	0.20	112.00
09/11/06	L. Ernce	Conference with M. Levinson re proof of interest issues and review A. Tsu email and forms of proof of claim/proof of interest and instructions (.30); review and revise draft forms and instructions (.40); email to C. Carlyon re same and telephone conference with C. Carlyon re same (.20); review email from C. Carlyon with joint comments of First Trust Committee and Diversified Committee to forms of proofs of claim/proofs of interest and instructions (.10); further emails with C. Carlyon and A. Tsu re same (.20).	1.20	558.00



O R R I C K

Official Committee of Equity Security Holders of USA Capital Diversified
Trust Deed Fund, LLC - 17908
page 44

October 15, 2006
Invoice No. 1033079

09/12/06	M. Levinson	Review L. Schwartz, C. Carlyon and L. Ernce email memoranda re proofs of claim and proofs of interest.	0.10	56.00
09/12/06	L. Ernce	Further telephone conferences with C. Carlyon and A. Tsu re form of proof of interest form and instructions (.30); review next version of form and instructions (.10); review C. Carlyon email re same and review L. Schwartz responses (.10); further revisions to form and instructions and email to A. Tsu re same (.20); review and comment upon draft stipulation for allowance of proofs of interest (.20); review L. Schwartz email responding to same (.10); exchange emails with A. Tsu (.10); review emails to J. Miller at BMC re agreed-upon modifications (.10); exchange emails with M. Levinson re status (.10); review and sign off on final version of stipulation (.10).	1.40	651.00
09/14/06	M. Levinson	Exchange of email memoranda with A. Loraditch and L. Ernce re objecting to claims filed in the Diversified case.	0.10	56.00
09/14/06	L. Ernce	Review order on First Trust Committee's objection to reclassify certain claims as equity interests (.10); exchange emails with A. Loraditch and M. Levinson re filing similar objection on behalf of Diversified Committee (.10); review order setting deadline to object to proofs of claim and attention to updating Diversified Committee's website with information (.10).	0.30	139.50
09/15/06	M. Levinson	Review and analyze the lengthy L. Ernce email memorandum re the First Trust Committee motion for access to the list of its investors and the possible need for the Diversified Committee to do the same.	0.20	112.00
09/15/06	L. Ernce	Review signed stipulated order re filing of proofs of interest; email to Diversified Committee professionals re same; update Diversified Committee website to include information.	0.20	93.00
09/19/06	L. Ernce	Review Diversified Committee's objection to High Prospect Income Fund claim (.30); email to Diversified Committee members re same and update Diversified Committee website to include pleadings (.20).	0.50	232.50



O R R I C K

Official Committee of Equity Security Holders of USA Capital Diversified
Trust Deed Fund, LLC - 17908
page 45

October 15, 2006
Invoice No. 1033079

09/26/06	M. Levinson	Review S. Katz, L. Ernce, M. Tucker and C. Harvick email memoranda relating to proofs of interest.	0.10	56.00
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<i>B310 – Claims Administration and Objections Total</i>			<i>5.70</i>	<i>2,783.50</i>
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Timekeeper Summary	Hours	Rate	Amount
Lynn T. Ernce	4.30	465.00	1,999.50
Marc A. Levinson	1.40	560.00	784.00
Total All Timekeepers	5.70	\$488.33	\$2,783.50



O R R I C K

Official Committee of Equity Security Holders of USA Capital Diversified
Trust Deed Fund, LLC - 17908
page 46

October 15, 2006
Invoice No. 1033079

Task B320 – Plan and Disclosure Statement (including Business Plan)

09/01/06	M. Levinson	Portion of long telephone conversation with J. Hermann devoted to plan status and issues (.10); review and analyze the lengthy R. Charles email memorandum to T. Allison rejecting the most recent proposal from Plan Proponent No. 2 and review the brief E. Karasik email memorandum re the same (.30); telephone conversation with A. Loraditch re plan negotiations and next steps to enable her to talk to Plan Proponent No. 4 (.30); long telephone conversation with R. Charles, with M. Tucker, re R. Charles's conversation with S. Khan and D. Cooney re the most recent proposal from Plan Proponent No. 2 (.50); initial review of the new proposal from Plan Proponent No. 1 and the J. Hermann email memorandum re the same (.30); review R. Charles and S. Kahn email memoranda re next steps with respect to the unsecured creditors committee response to Plan Proponent No. 1 (.10).	1.60	896.00
09/01/06	L. Ernce	Review latest plan proposal from Plan Proponent No. 2; review exchanges of emails among Diversified Committee professionals re same.	0.60	279.00
09/01/06	J. Hermann	Further review and analyze debtors draft plan of reorganization (.90) and consider and analyze issues raised by the same (.20); review and analyze further offer received from Plan Proponent No. 2 noting differing treatment of Diversified Fund loans (.50); participate in exchange of email correspondence regarding the same (.20); review and analyze R. Charles analysis of the same (.20).	2.00	1,140.00
09/01/06	L. Ernce	Review multiple exchanges of emails on offer from Plan Proponent No. 2.	1.00	465.00



O R R I C K

Official Committee of Equity Security Holders of USA Capital Diversified
Trust Deed Fund, LLC - 17908
page 47

October 15, 2006
Invoice No. 1033079

09/02/06	M. Levinson	Review the R. Charles email memorandum to S. Kahn re his response to the most recent draft of the Plan Proponent No. 2 letter of intent, review the revised draft agreement and send follow-up email memoranda to R. Charles and to the Diversified Fund professional (.40); review the responsive email memoranda from S. Khan and A. Jarvis and analysis re next steps in light of the same (.20).	0.60	336.00
09/03/06	M. Levinson	Email memorandum to R. Charles in response to a suggestion by A. Jarvis about the proposal by Plan Proponent No. 2 and email memorandum to all hands re a call later today or tomorrow about the proposal (.20); review and analyze both the lengthy J. Gordon email memorandum raising issues about the transfer of the loan servicing agreements and the A. Jarvis email memorandum in response thereto (.20); review brief F. Merola follow-up email memorandum and email the Diversified Fund professionals re the foregoing (.10); exchange a long series of numerous email memoranda with various estate professionals and with Plan Proponent No. 2 re arranging various conference calls for tomorrow (.30).	0.80	448.00



O R R I C K

Official Committee of Equity Security Holders of USA Capital Diversified
Trust Deed Fund, LLC - 17908
page 48

October 15, 2006
Invoice No. 1033079

09/04/06	M. Levinson	Review R. Charles and S. Kahn email memoranda re the most recent discussions about the proposal from Plan Proponent No. 2 (.20); telephone conversation with M. Tucker re the same (.30); telephone conversation with R. Charles, S. Freeman, D. Walker, T. Burr and M. Tucker in preparation for the conversations later today, and, during the call, exchange email memoranda with many of the estate professionals re the follow-up calls and skim the September 3rd draft proposal from Plan Proponent No. 2, forwarded this morning by R. Charles (.50); long conference among all estate professionals re the proposal from and responding to Plan Proponent No. 2 (1.00); further review of the September 3rd draft proposal (.50); review the next draft, as revised by R. Charles (.30); long telephone conversation re the same and re next steps with R. Charles, S. Freeman and D. Walker (.80); telephone conversation with M. Tucker re the same and re next steps (.20); draft, revise and finalize an email memorandum to all hands re comments to the break-up fees portion of the term sheet (after re-reviewing portions of the current draft) (.30); review a series of follow-up email memoranda from S. Freeman, R. Charles, C. Pajak and A. Jarvis re new drafts of the Plan Proponent No. 2 proposal (.20); initial review of the draft circulated by S. Freeman in the late afternoon (.20); review and analyze email memoranda from J. Hermann re plan issues and re the Plan Proponent No. 2 proposal (.20).	4.70	2,632.00
09/04/06	L. Ernce	Review First Trust Committee's response to term sheet of Plan Proponent No. 2.	0.20	93.00
09/05/06	L. Ernce	Telephone conference with R. Worthen, M. Levinson and M. Tucker re plan issues, status of discussions with J. Milanowski and related matters.	0.30	139.50



O R R I C K

Official Committee of Equity Security Holders of USA Capital Diversified
Trust Deed Fund, LLC - 17908
page 49

October 15, 2006
Invoice No. 1033079

09/05/06	M. Levinson	<p>Review various of the suggested revised versions of the proposal submitted by Plan Proponent No. 2 (.40); review and respond to an email memorandum from T. Burr re the inclusion of two loans on the proposed Exhibit B1 to the response to Plan Proponent No. 2 (.20); telephone conversation with M. Tucker and L. Ernce re the status of the proposal from Plan Proponent No. 2 and re related plan issues (.10); telephone conversation with J. Hermann re plan matters (.10); review proposal from a potential loan servicer and forward the same to M. Tucker (.10); telephone conversation with M. Tucker re plan matters (.20) further review of revised versions of the draft Plan Proponent No. 2 proposal circulated by G. Garman, C. Pajak and A. Jarvis (.80); review S. Freeman email memorandum commenting on the loan servicing aspect of the proposal (.10); begin reviewing the revised version of the plan term sheet circulated by E. Karasik (.20); long all-hands call with the four committees and the debtors re the foregoing and re next steps (1.40); follow-up conversation with M. Tucker re the same and re his call earlier this afternoon with B. Fasel (.40); review and respond to E. Karasik proposal re the handling of break-up fees and expense reimbursement and review and respond to the A. Jarvis and E. Karasik follow-up email memoranda re the same (.20); review the next draft of the draft Plan Proponent No. 2 proposal, as circulated tonight by A. Jarvis, review the E. Karasik and C. Pajak emails containing comments thereto and send a lengthy email memorandum containing my comments to all hands (1.20).</p>	5.40	3,024.00
09/05/06	L. Ernce	<p>Telephone conference with M. Levinson and M. Tucker re issues related to proposal by Plan Proponent No. 2.</p>	0.10	46.50



O R R I C K

Official Committee of Equity Security Holders of USA Capital Diversified
Trust Deed Fund, LLC - 17908
page 50

October 15, 2006
Invoice No. 1033079

09/05/06 J. Hermann	Review and analysis revised Plan Proponent No. 2 offer letter (.30); review and analyze extensive email correspondence among professionals for all committees and debtors regarding Plan Proponent No. 2 revised offer letter, difficulty in effecting legally enforceable transfer of servicing rights, reactions to the same from different constituencies and general comments upon the same (.60); participate in exchange of email correspondence among Diversified Fund committee professionals regarding the same (.30); consider and analyze issues bearing upon transfer of servicing rights (.30); review and analyze revised version of joint plan of reorganization term sheet (.30) and participate in exchange of email correspondence with Diversified Fund professionals regarding the same (.20) and telephone conference with Diversified Fund professionals regarding the same (.40).	2.40	1,368.00
09/05/06 L. Ernce	Review multiple exchanges of emails and versions of term sheet from Plan Proponent No. 2.	1.30	604.50



O R R I C K

Official Committee of Equity Security Holders of USA Capital Diversified
Trust Deed Fund, LLC - 17908
page 51

October 15, 2006
Invoice No. 1033079

09/06/06	M. Levinson	<p>Review the exchange of R. Charles and B. Fasel email memoranda re the status of discussions with Plan Proponent No. 1 (.10); review lengthy E. Karasik email memorandum containing her comments to my comments to last night's draft proposal (.10); exchange a series of brief email memoranda with S. Strong and others re the status of the new version of the Plan Proponent No. 2 proposal (.10); begin reviewing this morning's version thereof (.30); telephone conversation with E. Karasik re the same and re plan issues (.20); telephone conversation with M. Tucker re the same and re his conversation with T. Allison late this morning re the proposal and related matters (.30); review the G. Garman email memorandum re the position of the direct lenders on the proposal and analysis re next steps in light of the same (.10); conference call among the four committees and the debtors re plan matters and the Plan Proponent No. 2 proposal (.50); continue the conference call with the four committees and the debtors, having been joined by representative of Plan Proponent No. 2 (.60); review F. Merola email memorandum to S. Freeman re several term sheet points (.10); follow-up conversation with S. Freeman (.20); follow-up conversation with J. Hermann (.20); portion of a long telephone conversation with M. Tucker and C. Harvick re the all-hands call with Plan Proponent No. 2, re their call this afternoon with another plan proponent and re many other plan issues (.50); follow-up telephone conversation with S. Freeman re plan proposal issues (.20); review A. Jarvis, S. Strong, S. Freeman and E. Karasik email memoranda re tonight's draft of the Plan Proponent No. 2 proposal (.20).</p>	3.70	2,072.00
09/06/06	L. Ernce	<p>Review multiple email exchanges re offer and next versions from Plan Proponent No. 2.</p>	1.00	465.00



O R R I C K

Official Committee of Equity Security Holders of USA Capital Diversified
Trust Deed Fund, LLC - 17908
page 52

October 15, 2006
Invoice No. 1033079

09/06/06	J. Hermann	Telephone conference with M. Levinson regarding ongoing negotiations on plan of reorganization and related matters (.20); review and analyze further draft of offer letter from Plan Proponent No. 2 (.30) and email correspondence regarding the same (.10); prepare inventory of plan of reorganization issues important to Diversified Committee which need to be included within plan of reorganization (.90).	1.50	855.00
09/07/06	M. Levinson	Review last night's version of the Plan Proponent No. 2 proposal, as revised by A. Jarvis last night, review the S. Freeman comments thereto, review C. Harvick email memorandum re Exhibit B1, interlineate comments and email the same to all hands (1.20); review email memoranda from E. Karasik, S. Freeman and A. Jarvis re the new proposal (.20); portion of follow-up conversation with M. Tucker and J. Hermann devoted to the foregoing (.30); review the revised version of the proposal emailed by S. Strong to Plan Proponent No. 2 (.20); review S. Freeman email memorandum containing the USACM committee's payoff number and the E. Karasik email memorandum in response thereto (.10); exchange brief follow-up email memoranda with S. Strong re Exhibit B1 thereto and review his email to Plan Proponent No. 2 with a revised Exhibit B1 (.20); telephone conversation with A. Loraditch re the status of various plan proposals so as to better prepare her to talk with Plan Proponent No. 4 (.20); review S. Strong email memorandum re the transmission of the proposal to Plan Proponent No. 2, re its initial reaction thereto and re an all-hands call tomorrow morning (.10); review A. Jarvis email memorandum covering the transmission of the revised proposal forwarded tonight by Plan Proponent No. 2 (.10) begin reviewing the new proposal from Plan Proponent No. 2 received tonight (.20).	2.80	1,568.00



O R R I C K

Official Committee of Equity Security Holders of USA Capital Diversified
Trust Deed Fund, LLC - 17908
page 53

October 15, 2006
Invoice No. 1033079

09/07/06	J. Hermann	Telephone conference with M. Tucker and M. Levinson regarding plan of reorganization issues (portion) (.10); telephone conference with M. Levinson regarding plan of reorganization issues (.10); review and analyze markups and redlines of Plan Proponent No. 2 transaction documents (.60); participate in exchange of email correspondence with Diversified Committee professionals regarding the same (.20); participate in exchange of email correspondence with all committee professionals and debtor professionals regarding the same (.60).	1.60	912.00
09/07/06	L. Ernce	Review exchanges of emails re status of letter from Plan Proponent No. 2.	0.30	139.50
09/07/06	L. Ernce	Review email from A. Loraditch re Plan Proponent No. 4 will present letter of intent and timing issues.	0.10	46.50
09/07/06	L. Ernce	Review email from M. Levinson reporting on status and latest discussions of Plan Proponent No. 2 deal.	0.10	46.50
09/08/06	M. Levinson	Portion of long telephone conversation with M. Tucker and C. Harvick devoted to plan issues (.20); long all-hands conference call re the versions of the new proposal from Plan Proponent No. 2 received late night and this morning, and review those drafts during the call (1.70); review B. Higgins suggested insert to the new proposal (.10); review C. Pajak email containing comments on the new draft of the proposal (.10); portion of a long telephone conversation with R. Charles and J. Hermann devoted to the foregoing (.60).	2.70	1,512.00
09/08/06	J. Hermann	Telephone conference with M. Tucker, C. Harvick and M. Levinson regarding ongoing negotiations on Plan Proponent No. 2 purchase and plan of reorganization issues (.40); participate in conference call with all committee professionals and debtor professionals regarding issues with Plan Proponent No. 2 proposal (1.20); further review and analyze the same (.20); participate in exchange of email correspondence with all committee professionals and debtor professionals regarding the same (.30).	2.10	1,197.00



O R R I C K

Official Committee of Equity Security Holders of USA Capital Diversified
Trust Deed Fund, LLC - 17908
page 54

October 15, 2006
Invoice No. 1033079

09/08/06	L. Ernce	Review email from A. Jarvis re offer issues re Plan Proponent No. 2 (.10); review S. Strong email with blackline of letter (.10); review multiple exchanges of emails re Plan Proponent No. 2 offer and exhibits from B. Higgins, A. Jarvis, C. Pajak, R. Charles and others (.30).	0.50	232.50
09/10/06	M. Levinson	Review exchange of email memoranda between E. Karasik and A. Jarvis re the timing relating to the next draft of the proposal from Plan Proponent No. 2.	0.10	56.00
09/11/06	M. Levinson	Review and analyze the revised portions of yesterday's version of the proposal forwarded by Plan Proponent No. 2 (.30); portion of a telephone conversation with M. Tucker devoted to the same (.10); portion of the all-hands call devoted to plan issues and to the Plan Proponent No. 2 proposal (.60); review and analyze the revised portions of this afternoon's version of the proposal, as modified by A. Jarvis, and review the C. Pajak proposed revisions thereto (.30); email memorandum to all hands re my comments to the foregoing (.20).	1.50	840.00
09/11/06	J. Hermann	Participate in conference call with debtors and all four committees regarding latest version of asset purchase letter of intent, plan of reorganization issues and numerous related issues.	0.90	513.00
09/11/06	L. Ernce	Review E. Karasik email re issues related to latest draft of proposal from Plan Proponent No. 2 (.10); review A. Jarvis email re draft exhibits to proposal and review portions of drafts (.20); review further exchanges of emails re proposal from Plan Proponent No. 2 from E. Karasik and A. Jarvis (.10); review A. Jarvis email and next version of offer letter (.20); review First Trust Committee's next version of offer letter (.10); review M. Levinson email re comments to First Trust Committee's revisions (.10); review A. Jarvis email and signed letter with blackline showing final changes (.10).	0.90	418.50



O R R I C K

Official Committee of Equity Security Holders of USA Capital Diversified
Trust Deed Fund, LLC - 17908
page 55

October 15, 2006
Invoice No. 1033079

09/11/06	J. Hermann	Review and analyze further drafts of deal document from Plan Proponent No. 2 (.20) and emails from all committee counsel and debtor counsel regarding issues in connection with the same (.20).	0.40	228.00
09/12/06	J. Hermann	Review and revise proposed communication with Diversified Committee in connection with proposed sale of assets and related plan of reorganization.	0.20	114.00
09/12/06	J. Hermann	Consider and analyze issues raised in term sheet of plan being circulated and further prepare list of Diversified Fund considerations and issues for any plan of reorganization and review and analyze file materials in connection with the same.	1.40	798.00
09/12/06	M. Levinson	Review last night's version of the proposal from Plan Proponent No. 2 and various email memoranda from A. Jarvis and others re the same (.60); telephone conversation with M. Tucker re the same and re next steps (.10); continue reviewing and interlineating comments to the draft plan term sheet circulated by E. Karasik on September 5th (.40); telephone conversation with S. Freeman and R. Charles re the same and the proposal from Plan Proponent No. 2 (.30) portion of the very long all-hands call devoted to the proposal from Plan Proponent No. 2 and the draft plan term sheet (2.20); initial review of the next draft circulated by E. Karasik (.20).	3.80	2,128.00
09/12/06	L. Ernce	Review email from E. Karasik re First Trust Committee's acceptance of latest version of Plan Proponent No. 2 proposal and review latest version of proposal (.20); review A. Jarvis email requesting status and M. Levinson response (.10); review next version of joint plan term sheet (.20); review final version of Plan Proponent No. 2 offer letter (.20).	0.70	325.50
09/12/06	L. Ernce	Review and analyze latest term sheet (.40); review J. Hermann comments and proposed changes (.10).	0.50	232.50



O R R I C K

Official Committee of Equity Security Holders of USA Capital Diversified
Trust Deed Fund, LLC - 17908
page 56

October 15, 2006
Invoice No. 1033079

09/13/06	J. Hermann	Consider and analyze issues in connection with means of confirming plan of reorganization providing for release or forbearance of principal in exchange for contributed assets and review and analyze source materials bearing upon the same.	0.80	456.00
09/13/06	J. Hermann	Review and analyze new draft term sheet for plan of reorganization and consider and analyze issues raised therein.	0.40	228.00
09/13/06	M. Levinson	Exchange a series of email memoranda with M. Tucker and J. Hermann re certain plan issues related to USACM (.20); long telephone conversation with J. Hermann and M. Tucker re plan and term sheet issues (.30); initial review of the plan term sheet circulated by E. Karasik (.20); email memorandum to S. Freeman re an aspect of the insider guaranty aspect of the term sheet (.10); exchange a series of email memoranda with R. Charles, A. Jarvis and others re scheduling a meeting among certain constituencies to discuss plan issues (.10); review B. Fasel, T. Burr and M. Tucker email memoranda re the selection of Plan Proponent No. 2 as the stalking horse bidder (.10).	1.00	560.00
09/13/06	L. Ernce	Exchange emails with M. Levinson re plan and exclusivity issues.	0.10	46.50
09/14/06	J. Hermann	Telephone conference with M. Tucker, and for a portion of the call, M. Levinson, regarding plan of reorganization issues and other matters in preparation for conference call on the same.	1.40	798.00
09/14/06	J. Hermann	Review and revise checklist of Diversified Fund issues in plan of reorganization and confirmation and negotiation issues and review and analyze file materials in connection with the same.	0.80	456.00
09/14/06	J. Hermann	Participate in conference call with debtor representatives, unsecured creditors committee representatives and Diversified Committee representatives regarding plan of reorganization issues, progress in ongoing negotiations, and numerous related matters.	2.10	1,197.00



O R R I C K

Official Committee of Equity Security Holders of USA Capital Diversified
Trust Deed Fund, LLC - 17908
page 57

October 15, 2006
Invoice No. 1033079

09/14/06	J. Hermann	Review and revise multiple redrafts of plan of reorganization term sheet, draft insert to the same dealing with First Trust Deed contribution to Diversified Fund, and participate in exchange of email correspondence regarding the same.	3.40	1,938.00
09/14/06	J. Hermann	Telephone conference with M. Tucker and M. Levinson (portion of call) regarding results of plan negotiations throughout the day and numerous related issues.	0.90	513.00



O R R I C K

Official Committee of Equity Security Holders of USA Capital Diversified
Trust Deed Fund, LLC - 17908
page 58

October 15, 2006
Invoice No. 1033079

09/14/06	M. Levinson	<p>Telephone conversation with M. Tucker and J. Hermann re possible revisions to the plan term sheet circulated by E. Karasik (.30); review S. Freeman email memorandum with comments to the term sheet (.10); review two lengthy J. Hermann email memoranda re his comments to the term sheet (.20); review the exchange of follow-up emails between T. Burr and J. Hermann (.10); participate in a long portion of a very long conference call re the same with A. Jarvis, R. Charles, M. Tucker and J. Hermann (.80); initial review the R. Charles re-draft of the plan term sheet (.30); email memorandum to R. Charles and other re my preliminary comments to the same (.20); several follow-up conversations with M. Tucker and J. Hermann (.30); review J. Hermann re-draft of certain of the provisions of the R. Charles draft term sheet and exchange a series of follow-up email memoranda with J. Hermann and R. Charles re the same (.30); conference with J. Chubb re Fertitta's concerns about the treatment of one of the Colt loans in the Plan Proponent No. 2 term sheet and email T. Allison and M. Tucker re the same during the course of such conference (.30); lengthy follow-up email memorandum to T. Allison and A. Jarvis (.20); exchange follow-up email memoranda with T. Allison and M. Tucker (.10); exchange a series of email memoranda with M. Tucker and J. Hermann re offset issues that must be dealt with in the plan (.20); review more R. Charles, M. Tucker and J. Hermann email memoranda re term sheet issues (.20); lengthy end-of-the-day conversation with J. Hermann and M. Tucker (for most) re today's developments and re next steps (.50).</p>	4.20	2,352.00
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O R R I C K

Official Committee of Equity Security Holders of USA Capital Diversified
Trust Deed Fund, LLC - 17908
page 59

October 15, 2006
Invoice No. 1033079

09/15/06	J. Hermann	Participate in conference call involving for different portions, M. Levinson, M. Tucker, R. Charles, and S. Freeman regarding FTDF rejection of plan term sheet and refusal to agree to further extension of exclusivity and numerous related issues, including strategy for plan proposal and confirmation.	0.90	513.00
09/15/06	J. Hermann	Participate in conference call involving for different portions, M. Levinson, A. Jarvis, S. Freeman and E. Karasik regarding FTDF rejection of plan term sheet and refusal to agree to further extension of exclusivity and numerous related issues.	0.60	342.00
09/15/06	J. Hermann	Consider and analyze email correspondence regarding refusal of FTDF and Direct Lender committees to agree to further extension of exclusivity and review and analyze term sheet for plan issues and consider and analyze negotiation alternatives in connection with the same.	0.30	171.00
09/15/06	J. Hermann	Review and analyze secondary authorities and cases on issue of applicability of California anti-deficiency statutes to Nevada guaranties of California real estate loans.	0.80	456.00
09/15/06	M. Levinson	Review two lengthy A. Jarvis email memoranda re the impending expiration of exclusivity and the possible filing of alternative plans by the First Trust Committee and the Direct Lenders Committee (.20); review the chain of email memoranda re hearing the exclusivity motion on shortened time (.10).	0.30	168.00



O R R I C K

Official Committee of Equity Security Holders of USA Capital Diversified
Trust Deed Fund, LLC - 17908
page 60

October 15, 2006
Invoice No. 1033079

09/15/06	M. Levinson	Review lengthy M. Tucker email memorandum re the discussion among the financial advisors about bid procedures (.20); telephone conversation with A. Jarvis and J. Hermann re next steps and also telephone conversation with E. Karasik, S. Freeman, A. Jarvis and J. Hermann (.60); long follow-up telephone conversation with S. Freeman, M. Tucker and J. Hermann, with R. Charles for large part (.90); portion of long follow-up telephone conversation with M. Tucker and J. Hermann devoted to plan issues (.70); telephone conversation with R. Charles re term sheet and plan issues (.10); review E. Karasik email memorandum re next steps in the plan negotiations (.10).	2.60	1,456.00
09/15/06	L. Ernce	Review emails from M. Tucker re issues related to proposed transaction with Plan Proponent No. 2 (.10); review debtors' motion to extend exclusivity period and exchange emails with M. Levinson re status of discussions and Diversified Committee's position on exclusivity issue (.20); review initial draft of bid procedures (.20).	0.50	232.50
09/16/06	M. Levinson	Review A. Jarvis email memorandum re the filing of the plan and disclosure statement late last night and re certain plan provisions in particular and forward the same to Diversified professionals under cover of an email memorandum (.20); review lengthy R. Charles email memorandum to J. Chubb and R. LePome re the contemplated transfer of loan servicing rights to Plan Proponent No. 2 and forward the same to Diversified professionals (.20); email memorandum to R. Goe re the filing last night of the plan and disclosure statement, exchange follow-up email memoranda with R. Goe and send a follow-up email memorandum to M. Tucker (.20); initial review of the filed plan and disclosure statement (1.20).	1.80	1,008.00



O R R I C K

Official Committee of Equity Security Holders of USA Capital Diversified
Trust Deed Fund, LLC - 17908
page 61

October 15, 2006
Invoice No. 1033079

09/17/06	M. Levinson	Review and analyze the draft bid procedures circulated by E. Monson yesterday in connection with the sale to Plan Proponent No. 2 (.40); further attention to the filed plan and disclosure statement (.50).	0.90	504.00
09/17/06	L. Ernce	Review portions of debtors' plan and disclosure statement.	0.80	372.00
09/18/06	J. Hermann	Review and analyze plan of reorganization filed by debtors to determine treatment of Diversified Fund.	1.40	798.00
09/18/06	J. Hermann	Prepare additions to memo regarding issues to be dealt with by plan of reorganization, including issues to be resolved between the USACM and Diversified Fund estates.	1.40	798.00
09/18/06	M. Levinson	Exchange email memoranda with R. Goe re next steps by Plan Proponent No. 5 in light of the filing of the plan and the Silver Point proposal (.10); exchange email memoranda with E. Karasik re status of the Diversified Committee's review of the last term sheet (.10); telephone conversation with M. Tucker and J. Hermann re plan issues (.20); exchange a series of email memoranda with R. Charles and E. Karasik re the approval of the September 14th plan term sheet by the unsecured creditors committee and the Diversified Committee and re E. Karasik's thoughts about a portion of the term sheet (.20); review lengthy S. Freeman email memorandum re the USACM unsecured creditors committee's thoughts on the draft bid procedures (.10); review lengthy C. Pajak email memorandum and short follow-up email memorandum containing the First Trust Committee's comments on the draft bid procedures (.10).	0.80	448.00
09/18/06	L. Ernce	Review S. Freeman email re bid procedures; review C. Pajak email to A. Jarvis re same and other outstanding issues.	0.20	93.00



O R R I C K

Official Committee of Equity Security Holders of USA Capital Diversified
Trust Deed Fund, LLC - 17908
page 62

October 15, 2006
Invoice No. 1033079

09/19/06	J. Hermann	Further telephone conference with M. Tucker and M. Levinson regarding plan of reorganization issues, issues bearing upon obtaining J. Milanowski's consent to obtaining information from T. Ashby, issues complicating sale of Royal Hotel by HMA Sales, LLC and related matters.	0.20	114.00
09/19/06	M. Levinson	Portion of long telephone conversation with J. Hermann and M. Tucker re issues between DTDF and USACM in preparation for tomorrow's call with counsel for the unsecured creditors committee re plan issues (.40); initial review of a number of email memoranda re bid procedures (.20); initial review of a number of email memoranda re the material adverse changes clause (.10); conference with L. Ernce re next steps with respect to each (.20); exchange email memoranda with A. Loraditch re her joining tomorrow's all hands call so as to discuss bid procedures relating to Plan Proponent No. 5 (.10); review lengthy late-night email memorandum from A. Jarvis re her revised version of the MAC, and brief email memorandum to L. Ernce re the same (.20).	1.20	672.00
09/19/06	L. Ernce	Review email and review draft material adverse change clause for proposed asset purchase agreement (.10); review C. Pajak email re First Trust's redlined comments to same (.10); review S. Freeman email; review A. Jarvis email and substantially revised clause (.20).	0.30	139.50
09/20/06	J. Hermann	Portion of conference call with A. Jarvis and M. Levinson and M. Tucker re plan of reorganization issues and timing of amended version of the same.	0.20	114.00
09/20/06	J. Hermann	Telephone conference with M. Tucker and M. Levinson in preparation for negotiations on plan issues and resolution of claims with unsecured creditors committee counsel later today and discussion of all issues likely to come up at such negotiations (1.20) and second session of such call (.80).	2.00	1,140.00



O R R I C K

Official Committee of Equity Security Holders of USA Capital Diversified
Trust Deed Fund, LLC - 17908
page 63

October 15, 2006
Invoice No. 1033079

09/20/06	J. Hermann	Telephone conference with M. Tucker regarding sharing of litigation management responsibilities with USACM liquidation trust in preparation for negotiations on plan issues and resolution of claims with USACM unsecured creditors committee counsel later today.	0.40	228.00
09/20/06	J. Hermann	Participate in lengthy conference call with R. Charles, T. Burr, M. Tucker and M. Levinson and S. Freeman regarding negotiations on plan issues and resolution of claims with USACM and myriad related issues.	2.90	1,653.00
09/20/06	M. Levinson	Review and analyze lengthy R. Charles email memorandum re the treatment of prepaid interest in the plan (.20); portion of long telephone conversation with A. Jarvis, J. Hermann and M. Tucker devoted to plan status and issues (.20); long telephone conversation with M. Tucker and J. Hermann in preparation for the upcoming calls with the USACM professionals re plan negotiations (1.20); another long telephone conversation with M. Tucker and J. Hermann re the same (.80); very long telephone conversation with S. Freeman, R. Charles, T. Burr, M. Tucker and J. Hermann re numerous plan issues between USACM and Diversified (2.90); follow-up conversation with J. Hermann (.10); review the C. Pajak proposed revisions to the bid procedures and her email memorandum re the same (.20); review the L. Ernce revisions to the bid procedures and her proposed changes (.20); lengthy email memorandum to all hands covering the Diversified Committee's proposed changes (.30); review lengthy L. Ernce follow-up email memorandum re the same (.10).	6.20	3,472.00



O R R I C K

Official Committee of Equity Security Holders of USA Capital Diversified
Trust Deed Fund, LLC - 17908
page 64

October 15, 2006
Invoice No. 1033079

09/20/06	L. Ernce	Review email from A. Jarvis with debtors' comments to material adverse change clause; review G. Garman and C. Pajak emails re same; review A. Jarvis response and next version of clause (.30); review next version of bid procedures and conference with M. Levinson re same (.20); draft next version of bid procedures to address Diversified Fund's concerns (.70); email to M. Levinson re same and open issues (.10); review M. Levinson email to other counsel re next version of bid procedures reflecting Diversified Committee's comments (.10); email to M. Levinson re clarifications (.10).	1.40	651.00
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O R R I C K

Official Committee of Equity Security Holders of USA Capital Diversified
Trust Deed Fund, LLC - 17908
page 65

October 15, 2006
Invoice No. 1033079

09/21/06	M. Levinson	<p>Portion of long telephone conversation with B. Olson and A. Loraditch re plan, bid procedures, overbidder and related issues, with M. Tucker for large part (1.00); review C. Pajak and G. Garman comments to the most recent draft of the bid procedures (.20); email memorandum from M. Tucker re plan treatment of prepaid interest (.10); lengthy email memorandum to all hands re my thoughts on their comments and on the bid procedures generally (.20); telephone conversation with G. Garman re the same and re plan issues (.20); telephone conversation with M. Tucker and J. Hermann in preparation for the call with the USACM Committee professionals (.20); long telephone conversation re bid procedures and plan issues with R. Charles, T. Burr, M. Tucker and J. Hermann (for part) (.60); initial review of the bid procedures motion circulated by S. Strong to all hands (.20); review and analyze this afternoon's version of the plan term sheet, as circulated by E. Karasik (.80) review and analyze the E. Monson email memorandum re the debtors' proposed fix to the bid procedures order (.10); email memorandum to J. Hermann and M. Tucker re my thoughts on the same, review responsive email memorandum from J. Hermann and respond to M. Tucker and J. Hermann (.20); exchange more follow-up email memoranda with J. Hermann and M. Tucker (.20); email all hands re the position of the Diversified Committee and review E. Monson email in response thereto (.20); review G. Garman response (.10); participate in a chain of email memoranda with various committee counsel and A. Jarvis re the notice aspect of the draft bid procedure (.10); continue reviewing and analyzing the plan term sheet, as circulated by E. Karasik (.50); telephone conversation with J. Hermann re the same (.30).</p>	5.20	2,912.00
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O R R I C K

Official Committee of Equity Security Holders of USA Capital Diversified
Trust Deed Fund, LLC - 17908
page 66

October 15, 2006
Invoice No. 1033079

09/21/06	J. Hermann	Review and analyze further draft of plan of reorganization term sheet received from counsel for FTDF and comparison to prior versions (.60); participate in exchange of email correspondence regarding the same (.10); review and analyze materials posted on FTDF website bearing upon plan of reorganization issues (.20); participate in exchange of email correspondence regarding the same with Diversified Committee professionals as to treatment of settlement discussions with Diversified Fund in connection with the same (.20); participate in exchange of email correspondence regarding plan provisions for bid procedures for sale to Silver Point among debtor professionals and all committee professionals (.30); prepare email correspondence to M. Levinson and M. Tucker regarding the same (.20); review and analyze further draft of bid procedures received from debtors' professionals (.20).	1.70	969.00
09/21/06	J. Hermann	Telephone conference with R. Charles, T. Burr, M. Tucker and M. Levinson regarding further discussion of facts bearing upon substantive issues under discussion in plan of reorganization negotiations and related matters.	0.40	228.00
09/21/06	J. Hermann	Telephone conference with M. Tucker and M. Levinson regarding developments and issues for call with unsecured creditors committee counsel to negotiate plan treatment of issues outstanding.	0.20	114.00



O R R I C K

Official Committee of Equity Security Holders of USA Capital Diversified
Trust Deed Fund, LLC - 17908
page 67

October 15, 2006
Invoice No. 1033079

09/21/06	L. Ernce	Review next version of draft bid procedures and emails from G. Garman, C. Pajak and others re related issues (.30); conference with M. Levinson re-thinking inclusion of provisions to allow for sale of additional assets as part of bid procedures (.10); review M. Levinson email to other counsel re Diversified Committee's revised position on bid procedures (.10); review further exchanges of emails on bid procedures from R. Charles, S. Strong and M. Levinson (.20); review next version of bid procedures (.20); review further emails on bid procedures from C. Pajak and G. Garman (.10); review emails from E. Monson re next version and review same; conference with M. Levinson (.20).	1.30	604.50
09/21/06	L. Ernce	Review email from E. Karasik and next version of joint plan term sheet (.20); review First Trust Deed Fund committee's summary of transaction with Plan Proponent No. 2 and exchange emails with J. Hermann re same (.20).	0.40	186.00
09/22/06	J. Hermann	Telephone conference with M. Tucker and M. Levinson regarding term sheet received from FTDF and Direct Lenders, issues arising thereunder, strategy for further negotiations and related issues (.30); later continuation of such call with M. Tucker and M. Levinson and with S. Freeman (for a portion of the call) (1.80); further continuation of such call with M. Tucker, M. Levinson, R. Charles and S. Freeman (1.60).	3.70	2,109.00
09/22/06	J. Hermann	Review and analyze servicing agreement and LLC operating agreement in connection with issues bearing upon entitlement of USACM to receive fees in connection with negotiations on plan of reorganization terms.	0.40	228.00
09/22/06	J. Hermann	Review and analyze revised term sheet prepared by R. Charles on plan of reorganization issues (.20); participate in exchange of email correspondence with Diversified Fund professionals regarding the same (.10).	0.30	171.00



O R R I C K

Official Committee of Equity Security Holders of USA Capital Diversified
Trust Deed Fund, LLC - 17908
page 68

October 15, 2006
Invoice No. 1033079

09/22/06	J. Hermann	Participate in exchange of email correspondence with professionals for all committees and debtors regarding bid procedures to be incorporated into plan of reorganization and numerous issues in connection with the same.	0.50	285.00
09/22/06	M. Levinson	Telephone conversation with M. Tucker and J. Hermann re yesterday's version of the term sheet and re related plan issues (.30); very long follow-up telephone conversation with M. Tucker and J. Hermann, with S. Freeman for large part, re plan issues (1.80); exchange email memoranda with various counsel including G. Garman, re bidding procedures (.10); long follow-up conversation with R. Charles, S. Freeman, M. Tucker and J. Hermann (1.60); review the exchange of email memoranda between M. Tucker and Plan Proponent No. 4 re next steps (.10); exchange a series of email memoranda with R. Charles, C. Pajak, G. Garman and A Jarvis re the treatment in the draft bid procedures of the participation of the Diversified Committee and the Direct Lenders Committee (.30).	4.20	2,352.00
09/22/06	L. Ernce	Review emails from J. McCarroll re revisions to bid procedures (.10); review E. Monson email and redline of next draft of bid procedures (.10); review emails from C. Pajak, G. Garman and R. Charles re bid procedures issues (.20); review responses from A. Jarvis and G. Garman (.10).	0.50	232.50
09/22/06	L. Ernce	Review email from E. Karasik re First Trust committee's approval of latest version of joint plan term sheet.	0.10	46.50
09/23/06	M. Levinson	Initial review of yesterday's version of the plan term sheet, as revised by R. Charles.	0.60	336.00
09/24/06	M. Levinson	Continue reviewing, analyzing and interlineating comments to the September 23rd R. Charles version of the plan term sheet and the J. Hermann email memorandum commenting on provisions thereof that appeared in the September 22nd version (.70); email memorandum to J. Hermann and M. Tucker re the same and re next steps (.20).	0.90	504.00



O R R I C K

Official Committee of Equity Security Holders of USA Capital Diversified
Trust Deed Fund, LLC - 17908
page 69

October 15, 2006
Invoice No. 1033079

09/24/06	J. Hermann	Participate in exchange of email correspondence regarding plan of reorganization issues and latest offer of settlement received from FTDF with M. Levinson and M. Tucker.	0.20	114.00
09/25/06	M. Levinson	Telephone conversation with A. Jarvis re the plan term sheet and related matters (.30); telephone conversation with J. Hermann re the same and re next steps (.30); review portions of the plan and the term sheet in preparation for calls later today (.40); email memorandum to M. Tucker and J. Hermann re the First Trust bid and ask (.10); telephone conversation with M. Tucker and J. Hermann the foregoing (.70); telephone conversation with E. Karasik re possible settlement (.20); telephone conversation with M. Tucker re the same (.10); telephone conversation with M. Tucker in preparation for a call to A. Jarvis re plan and settlement issues (.10); review brief email memorandum from R. Goe re Plan Proponent No. 5 and telephone conversation with M. Tucker re the same and re next steps (.10); long telephone conversation with A. Jarvis and M. Tucker re next steps (1.20); follow-up conversation with M. Tucker and C. Harvick (.20); voicemail message and email memorandum to E. Karasik re next steps in the plan negotiation process and exchange brief follow-up email memoranda (.10); telephone conversation with E. Karasik re possible settlement of plan issues and review brief E. Karasik follow-up email memorandum (.20); analysis re next steps, and lengthy email memorandum to M. Tucker and J. Hermann re the same (.30).	4.30	2,408.00
09/25/06	L. Ernce	Review notices of hearings on exclusivity motion and attention to calendaring various case deadlines.	0.10	46.50
09/25/06	L. Ernce	Review M. Levinson email report on status of his discussions with First Trust Deed Fund committee on settlement term sheet and next steps.	0.10	46.50



O R R I C K

Official Committee of Equity Security Holders of USA Capital Diversified
Trust Deed Fund, LLC - 17908
page 70

October 15, 2006
Invoice No. 1033079

09/25/06	J. Hermann	Telephone conference with M. Levinson regarding ongoing negotiations with FTDF committee on plan of reorganization, strategy for the same and related matters (.30); review and analyze language contained in plan of reorganization regarding settlement between Diversified Fund and FTDF and comparison to language of new proposal received (.20); telephone conference with M. Levinson and M. Tucker regarding the above issues and actual language received from counsel for FTDF committee (.70); participate in exchange of email correspondence with M. Levinson and M. Tucker regarding most recent discussions with E. Karasik on plan negotiations and strategy for further negotiations (.30).	1.50	855.00
09/26/06	J. Hermann	Telephone conference with M. Levinson and M. Tucker regarding formulation of counterproposal to FTDF committee for settlement of litigation claims to be included within plan of reorganization.	0.50	285.00
09/26/06	J. Hermann	Participate in conference call with M. Levinson and M. Tucker regarding ongoing negotiations with FTDF committee and unsecured creditors committee on plan of reorganization issues and numerous related matters.	0.90	513.00
09/26/06	J. Hermann	Participate in conference call with A. Jarvis, S. Strong and M. Levinson regarding fee objections asserted but not filed by U.S. Trustee, numerous plan of reorganization issues and issues bearing upon servicing and collection of Colt Gateway loans.	0.60	342.00



O R R I C K

Official Committee of Equity Security Holders of USA Capital Diversified
Trust Deed Fund, LLC - 17908
page 71

October 15, 2006
Invoice No. 1033079

09/26/06	M. Levinson	<p>Exchange a series of follow-up email memoranda with J. Hermann and M. Tucker re possibly making a counterproposal to FTDF (.20); telephone conversation with M. Tucker and J. Hermann re the same, leaving voicemail messages for R. Worthen during the course of the call (.50); draft counterproposal email memorandum and forward it to M. Tucker and J. Hermann (.20); review M. Tucker and J. Hermann responsive email memoranda (.10); telephone conversation with E. Karasik re the draft counterproposal, finalize the same and transmit it to E. Karasik (.20); follow-up email memorandum to M. Tucker and J. Hermann (.10); telephone conversation with R. Charles re the status of plan term sheet negotiations, including my recent calls with E. Karasik and A. Jarvis (.30); exchange follow-up email memoranda with M. Tucker and J. Hermann (.10); telephone conversation with E. Karasik and C. Pajak re the next steps (.40); long telephone conversation with M. Tucker and J. Hermann re my call with E. Karasik and C. Pajak re the next steps in the plan process (.90); telephone conversation with A. Jarvis, S. Strong and J. Hermann re plan status, my conversation with E. Karasik, and next steps (.60); email memorandum to E. Karasik re status of a possible new proposal from the Diversified Committee, review E. Karasik response and forward the same to J. Hermann and M. Tucker (.20); exchange follow-up email memoranda with M. Tucker (.10).</p>	3.90	2,184.00
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O R R I C K

Official Committee of Equity Security Holders of USA Capital Diversified
Trust Deed Fund, LLC - 17908
page 72

October 15, 2006
Invoice No. 1033079

09/26/06	L. Ernce	Review M. Levinson email reporting on his call with E. Karasik and status of term sheet settlement proposals; review T. Lawyer email re same (.10); review M. Tucker email responding to T. Lawyer inquiries and analysis (.10); review A. Loraditch emails re debtors' motion to extend exclusivity and inquiry from Plan Proponent No.4 re same (.10); review notice of hearing on Silver Point auction and email to Diversified professionals (.10); review J. McGimsey email re his thoughts on term sheet and review S. Katz email re same (.10); review M. Levinson report on next version of term sheet (.10).	0.60	279.00
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O R R I C K

Official Committee of Equity Security Holders of USA Capital Diversified
Trust Deed Fund, LLC - 17908
page 73

October 15, 2006
Invoice No. 1033079

09/27/06	M. Levinson	<p>Portion of a long telephone conversation with M. Tucker and J. Hermann devoted to plan term sheet issues and next steps with respect to a possible counterproposal to the First Trust Committee (.20); prepare for and participate in telephone conversation with E. Karasik re issues relating to a possible counterproposal (.20); revise the counterproposal and email it to E. Karasik (.10); telephone conversation with E. Karasik with her committee's response to the counterproposal and re next steps with respect to the plan (.20); telephone conversation with M. Tucker re the same and re a number of other plan-related issues (.20); telephone conversation with J. Hermann re the same (.20); telephone conversation with R. Charles re numerous plan issues (.40); review and analyze the counterproposal from the First Trust Committee forwarded by E. Karasik (.20); review and analyze the M. Tucker and J. Hermann email memoranda re their thoughts on the same (.20); telephone conversation with M. Tucker and J. Hermann re the same and re possible responses thereto (.20); draft a responsive email memorandum to E. Karasik and forward it to J. Hermann and M. Tucker for their comments (.30); review J. Hermann and M. Tucker comments to the same (.10); exchange a series of follow-up email memoranda with J. Hermann and M. Tucker (.10); telephone conversation with M. Tucker and J. Hermann re the same (.20); finalize the email memorandum in light of those comments and transmit to E. Karasik (.10); review and analyze E. Karasik responsive email memorandum and email J. Hermann and M. Tucker re the same (.20); review J. Hermann and M. Tucker email memoranda in response thereto (.20); portion of long telephone conversation with A. Jarvis devoted to plan status and related matters (.20).</p>	3.50	1,960.00
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Official Committee of Equity Security Holders of USA Capital Diversified
Trust Deed Fund, LLC - 17908
page 74

October 15, 2006
Invoice No. 1033079

09/27/06	L. Ernce	Review email from M. Levinson re status of committee responses to latest term sheet and J. McGimsey's response to same; review T. Lawyer comments to latest term sheet; review M. Levinson follow-up email to the Diversified Committee re proposed term sheet (.20); review latest counterproposal to term sheet from First Trust Deed Fund committee and brief conference with M. Levinson re same and next steps (.20); review M. Levinson email to Diversified committee re status of negotiations on term sheet with First Trust Deed Fund (.10).	0.50	232.50
09/27/06	J. Hermann	Telephone conference with M. Tucker and M. Levinson regarding issues in connection with ongoing negotiations for plan of reorganization compromise with FTDF Committee, collection and servicing issues on Colt Gateway loans, need to finalize escrow instructions on Epic loan matter and related matters.	0.30	171.00
09/27/06	J. Hermann	Participate in exchange of email correspondence with Diversified Committee professionals and FTDF committee professionals regarding counterproposal made by Diversified Committee and issues bearing upon the same.	0.20	114.00
09/27/06	J. Hermann	Telephone conference with M. Tucker and M. Levinson regarding language of settlement proposal received from E. Karasik on plan of reorganization issues and strategy for counterproposal to the same (.50); participate in further telephone conferences with M. Tucker and M. Levinson formulating language of counterproposal and negotiating strategy in general (.90); participate in exchange of substantive email correspondence regarding the same with M. Tucker and M. Levinson (.50).	1.90	1,083.00
09/28/06	L. Ernce	Exchange emails with M. Tucker and J. Hermann re hearing date on disclosure statement and related matters (.10); review notice of disclosure statement hearing filed today and attention to calendaring and updating Diversified Committee website (.20).	0.30	139.50



ORRICK

Official Committee of Equity Security Holders of USA Capital Diversified
Trust Deed Fund, LLC - 17908
page 75

October 15, 2006
Invoice No. 1033079

09/28/06	L. Ernce	Review portions of revised plan and disclosure statement.	0.50	232.50
09/28/06	J. Hermann	Further review and analyze plan of reorganization term sheet and subsequent proposals in connection with renewed negotiations tomorrow on plan issues.	0.40	228.00
09/29/06	M. Levinson	Very long telephone conversation with R. Goe, counsel for Plan Proponent No. 5, re a possible proposal from his client (.50); follow-up telephone conversation with R. Goe, M. Tucker and J. Hermann re Plan Proponent No. 5's interest (.50); initial review of E. Karasik plan counterproposal and her email memorandum covering the same (.20); very long telephone conversation with M. Tucker and J. Hermann re the same and re other term sheet and plan issues (.80); telephone conversation with E. Karasik re term sheet issues (.10); long telephone conversation with M. Kvarda, E. Karasik, M. Tucker and J. Hermann re resolving the remaining term sheet issues (.90); exchange email memoranda with J. Hermann re plan issues involving USACM (.10); review email memorandum from A. Loraditch re letter of intent from Plan Proponent No. 4 and exchange brief follow-up email memoranda with M. Tucker re the same (.10).	3.20	1,792.00
09/29/06	M. Levinson	Review the draft stipulation and order extending confirmation exclusivity and review the C. Carlyon response thereto.	0.10	56.00
09/29/06	L. Ernce	Review A. Jarvis email re latest version of debtors' plan and review portions of revised plan (.50); review draft stipulated order on exclusivity and emails from C. Carlyon re same (.10).	0.60	279.00
09/29/06	J. Hermann	Review and analyze revised version of plan of reorganization and disclosure statement received from debtor counsel in connection with ongoing plan of reorganization negotiations and plan treatment of Diversified Fund.	1.30	741.00
09/29/06	J. Hermann	Participate in conference call with E. Karasik, M. Kvarda, M. Tucker and M. Levinson regarding negotiation for consensual resolution of plan treatment of two funds and numerous related issues.	0.90	513.00



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Official Committee of Equity Security Holders of USA Capital Diversified
Trust Deed Fund, LLC - 17908
page 76

October 15, 2006
Invoice No. 1033079

09/29/06	J. Hermann	Telephone conference with M. Tucker and M. Levinson regarding aspects of plan settlement proposal received from counsel for FTDF Committee and numerous related issues.	0.50	285.00
09/29/06	J. Hermann	Telephone conference with M. Levinson and M. Tucker regarding results of negotiations with FTDF professionals, upcoming negotiations with USACM representatives, interaction between treatment of the two and numerous plan related matters.	0.50	285.00
09/29/06	J. Hermann	Participate in conference call with E. Karasik, M. Kavarda, M. Tucker and M. Levinson regarding negotiations on treatment of Diversified Fund in plan of reorganization and mechanics of provisions for FTDF to make a loan to Diversified Fund (.90); review and analyze further revised version of term sheet received from E. Karasik dealing with changes discussed (.40).	1.30	741.00
09/29/06	J. Hermann	Telephone conference with M. Levinson and M. Tucker regarding further negotiations on term sheet with FTDF and issues regarding workings of current draft of the same.	0.80	456.00
09/29/06	L. Ernce	Review emails from A. Loraditch and M. Tucker re letter of intent from Plan Proponent No. 4 (.10).	0.10	46.50
09/30/06	M. Levinson	Initial review of the revised draft of the plan term sheet forwarded today by E. Karasik.	0.20	112.00

B320 – Plan and Disclosure Statement (including Business Plan) Total 141.20 78,076.00

Timekeeper Summary	Hours	Rate	Amount
Lynn T. Ernce	16.00	465.00	7,440.00
Jeffery D. Hermann	52.40	570.00	29,868.00
Marc A. Levinson	72.80	560.00	40,768.00
Total All Timekeepers	141.20	\$552.95	\$78,076.00



O R R I C K

Official Committee of Equity Security Holders of USA Capital Diversified
Trust Deed Fund, LLC - 17908
page 77

October 15, 2006
Invoice No. 1033079

Task B503 – Litigation

09/01/06	L. Ernce	Review debtors' motion to amend distributions protocols and email memo to Diversified Committee investors re same.	0.30	139.50
09/04/06	M. Levinson	Initial review of the draft fraudulent transfer complaint prepared by Lewis and Roca and circulated to certain counsel for direct lenders, and email memorandum re the same to Diversified Fund professionals (.20); review M. Tucker email memorandum re the same and telephone conversation with M. Tucker (.10).	0.30	168.00
09/04/06	L. Ernce	Review M. Levinson email and draft complaint by USACM unsecured creditors committee for return of diverted principal.	0.50	232.50
09/05/06	M. Levinson	Review S. Freeman email memorandum covering the USACM's draft fraudulent transfer complaint and review B. Olson email memorandum commenting on the draft complaint and on related issues.	0.20	112.00
09/05/06	J. Hermann	Review and analyze fraudulent conveyance complaint prepared by counsel for the USACM unsecured creditors committee (.30); review and analyze case authorities bearing upon essential allegations of the same (.50); participate in exchange of email correspondence with Diversified Fund professionals regarding the same (.10).	0.90	513.00
09/07/06	L. Ernce	Review opposition to modification of distribution protocols filed by C. Cunningham and email to Diversified Committee professionals re same.	0.20	93.00
09/08/06	L. Ernce	Review Highland Capital's response to motion to amend protocol for continued distributions.	0.10	46.50
09/11/06	M. Levinson	Review notice of hearing on the form of order approving continuing distributions.	0.10	56.00
09/11/06	J. Hermann	Review and analyze direct lender pleading regarding debtors motion to make regular distributions.	0.20	114.00



O R R I C K

Official Committee of Equity Security Holders of USA Capital Diversified
Trust Deed Fund, LLC - 17908
page 78

October 15, 2006
Invoice No. 1033079

09/12/06	L. Ernce	Review S. Strong email and debtors' comments to unsecured creditors committee's proposed order on interim distributions; review USACM unsecured creditors committee comments to same and review further emails from S. Strong and R. Charles.	0.30	139.50
09/13/06	J. Hermann	Review and analyze statement of Diversified Fund redemptions and sale for 2005 and 2006, consider and analyze issues bearing upon potential avoidability of redemptions occurring before bankruptcy filing at full value and participate in exchange of email correspondence regarding the same.	0.60	342.00
09/13/06	L. Ernce	Review email from R. Olson and portions of legal memorandum prepared by his firm on recharacterization issues; review J. Hermann email re same.	0.30	139.50
09/22/06	L. Ernce	Review First Trust committee's motion to compel disclosure of confidential information.	0.20	93.00
09/25/06	M. Levinson	Review tonight's version of the order approving interim distributions and the C. Pajak and R. Charles email memoranda re the same, and email to all hands re the approval of the Diversified Committee of the same.	0.20	112.00
09/25/06	L. Ernce	Review R. Charles email and revised proposed order on continuing distributions.	0.10	46.50
09/27/06	M. Levinson	Review M. Tucker email memorandum to S. Smith re resolving the final piece of the distribution motion (relating to the remaining \$2.9 million of commingled funds received prior to the petition date).	0.10	56.00
09/27/06	L. Ernce	Review emails from counsel for JV lenders and First Trust Deed Fund committee re form of order on motion to compel debtor to forward lender payments.	0.10	46.50

B503 – Litigation Total 4.70 2,449.50



O R R I C K

Official Committee of Equity Security Holders of USA Capital Diversified
Trust Deed Fund, LLC - 17908
page 79

October 15, 2006
Invoice No. 1033079

Timekeeper Summary	Hours	Rate	Amount
Lynn T. Ernce	2.10	465.00	976.50
Jeffery D. Hermann	1.70	570.00	969.00
Marc A. Levinson	0.90	560.00	504.00
Total All Timekeepers	4.70	\$521.17	\$2,449.50



O R R I C K

Official Committee of Equity Security Holders of USA Capital Diversified
Trust Deed Fund, LLC - 17908
page 80

October 15, 2006
Invoice No. 1033079

Task B504 – EPIC Loan

09/13/06	J. Hermann	Review and analyze marketing agreement for Epic condominiums in connection with issues bearing upon possible forms of recordation to be made against property.	0.30	171.00
09/13/06	J. Hermann	Further consider and analyze issues bearing upon means of encumbering title to Epic property and participate in exchange of email correspondence regarding the same.	0.90	513.00
09/13/06	J. Hermann	Review and analyze correspondence from Riverside recorders office rejection proposed filing as to Diversified's interest in Epic property and consider and analyze issues in connection with the same (.30); multiple conferences with M. McAndrews and Ms. Moletto regarding means of accomplishing encumbrance upon title and numerous related matters in connection with the same (.60).	0.90	513.00
09/13/06	M. McAndrews	Confer with J. Hermann regarding alternatives (.30); additional research on recordation issues (.20); review brokerage agreement (.10).	0.60	372.00
09/13/06	M. Levinson	Telephone conversation with J. Hermann re the refusal of Riverside County to record the Acknowledgement of Interest document and re next steps in light of the same.	0.20	112.00
09/15/06	M. McAndrews	Confer with J. Hermann regarding title clearance and notice issues (.20); review draft escrow instructions in connection with same (.30); review related transaction documents (.20).	0.70	434.00
09/17/06	M. McAndrews	Review exclusive listing agreement regarding hotel sale and condominium releases (.40); confer with J. Hermann regarding additional research (.20); prepare commentary on escrows (.20).	0.80	496.00
09/18/06	J. Hermann	Further review and analyze documentation and participate in exchange of email correspondence regarding rejection for filing of acknowledgement of interest by Riverside county recorder.	0.20	114.00